

DEPARTMENT OF CORPORATIONS
STATE OF CALIFORNIA
INSTRUCTIONS FOR COMPLETING AND FILING FORM BD
(UNIFORM APPLICATION FOR BROKER-DEALER
REGISTRATION) (17 CFR 249.501)
IN CALIFORNIA BY BROKER-DEALERS
NOT FILING BY NOTIFICATION

(Only for Use in Connection With Applications and Amendments to Applications for Broker-Dealer Certificate Pursuant to Section 25211(a), Corporations Code, and Section 260.241.4, Title 10, California Code of Regulations)

PART I. FILING FEE AND MAILING ADDRESS.

The fee for filing an application for a certificate as a broker-dealer is \$300.00. Make checks payable to DEPARTMENT OF CORPORATIONS and mail with Form BD to Department of Corporations, 980 9th Street, 5th Floor, Sacramento, CA 95814-2725. Fees are not refundable except pursuant to Section 250.15, Title 10, California Code of Regulations.

PART II. INSTRUCTIONS AS TO ARREST RECORDS.

Question 7G. of Form BD must be modified, as set forth below, upon an initial application because of the prohibitions of Section 461, Business and Professions Code:

Insert after the word "item" the following:

"other than a pending proceeding involving an arrest of such person?"

AN INITIAL APPLICATION WHICH IS NOT MODIFIED IN ACCORDANCE WITH THE FOREGOING INSTRUCTIONS WILL NOT BE RECEIVED FOR FILING BY THE DEPARTMENT AND WILL BE RETURNED WITHOUT PROCESSING.

PART III. ADDITIONAL INFORMATION.

1. Financial Statements:

(A) Attach a balance sheet as of a date within 45 days prior to the filing of the application, which need not be audited. However, if the balance sheet is not audited, there should be filed, in addition, an audited balance sheet as of the end of applicant's last fiscal year.

(B) Attach a calculation of the net capital and the ratio of net capital to aggregate indebtedness of the applicant, in accordance with Section 260.216.12 of Title 10 of the California Code of Regulations, as of the same date as the balance sheets submitted under Item (A) above.

(C) Attach copies of all currently effective subordination agreements. If any are substantially similar, attach one copy of the most standard form(s) and a schedule(s) showing the name and address of each lender, and the dollar value of the subordinated items on each agreement.

(D) Furnish the date applicant's fiscal year ends.

(E) Furnish applicant's minimum net capital requirement.

2. Organizational Information.

(A) If applicant is a corporation, attach copies of articles, by-laws, amendments and certification.

(B) If applicant is a partnership, attach partnership agreement and amendments.

(C) If applicant will conduct business under a fictitious name, attach a certified copy of the Fictitious Business Name Statement required by Section 17910, Business and Professions Code.

3. Other Exhibits.

(A) Attach a completed Customer Authorization of Disclosure of Financial Records on Form QR 500.261.

(B) Attach the name of applicant's worker's compensation insurance carrier or a copy of the certificate of consent to self-insure, if any. See Section 3700, Labor Code.

(C) Unless applicant is a California corporation, or unless already on file with the Commissioner, attach completed Consent to Service of Process on Form 260.165.

4. Exhibits Required by Applicants Not Registered Under The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

(A) Attach a statement demonstrating compliance with the examination requirements of Section 260.217, Title 10, California Code of Regulations.

(B) Attach Fingerprint Cards (California Department of Justice Form BID-7) and Fingerprint Information Sheets (Form ADM 557) for each person listed on Schedule A, B or C of Form BD.

PART IV. INVESTMENT ADVISER ACTIVITIES.

If the broker-dealer performs investment advisory services for which it receives special compensation and proposes to rely upon the exemption in Section 25205 of the Corporations Code from the investment adviser certification requirements in Section 25230 of the Corporations Code, attach a copy of Part II of Form ADV (Uniform Application for Investment Adviser Registration) (17 CFR 279.1).

Note: Social Security Account Numbers: In accordance with Section 7 of the Privacy Act of 1974 (PL. 93-579), the following information is provided in connection with the disclosure of a social security account number in the Schedules to Form BD.

Disclosure of a social security account number shall be considered a voluntary disclosure. A social security account number is solicited pursuant to one or more of the following authorities:

Sections 25211 and 25231, Corporations Code.

Sections 260.211 and 260.231, Title 10, California Code of Regulations.

Uses to be made of social security account numbers solicited by Form BD and the Schedules thereto are:

A. For all persons disclosing a social security account number, the number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies.

B. The completed form, including any disclosed social security account numbers, shall become a public record and available to members of the public pursuant to the provisions of the Public Records Act (Government Code Sections 6250 et seq.).